



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2009 Biennium

Bill #	SB0206	Title:	Health insurance incentives for Medicaid healthcare workers
Primary Sponsor:	Cobb, John	Status:	As Amended

- | | | |
|---|--|--|
| <input type="checkbox"/> Significant Local Gov Impact | <input type="checkbox"/> Needs to be included in HB 2 | <input checked="" type="checkbox"/> Technical Concerns |
| <input type="checkbox"/> Included in the Executive Budget | <input type="checkbox"/> Significant Long-Term Impacts | <input type="checkbox"/> Dedicated Revenue Form Attached |

FISCAL SUMMARY

	<u>FY 2008 Difference</u>	<u>FY 2009 Difference</u>	<u>FY 2010 Difference</u>	<u>FY 2011 Difference</u>
Expenditures:				
General Fund	\$1,289,752	\$1,455,594	\$0	\$0
Federal Special Revenue	\$2,819,048	\$3,166,806	\$0	\$0
Revenue:				
General Fund	\$0	\$0	\$0	\$0
Federal Special Revenue	\$2,819,048	\$3,166,806	\$0	\$0
Net Impact-General Fund Balance	<u>(\$1,289,752)</u>	<u>(\$1,455,594)</u>	<u>\$0</u>	<u>\$0</u>

Description of fiscal Impact:

This bill directs the Department of Public Health and Human Services (DPHHS) to conduct a study for an employer-sponsored health insurance program to personal care attendants and direct care employees of organizations that receive a majority of their revenue from Medicaid funded services. The bill also allows DPHHS to set up a pilot health insurance program if funding is available. The bill terminates January 1, 2009.

FISCAL ANALYSIS

Assumptions:

Public Health and Human Services

1. The study in Section 1 would be undertaken by DPHHS staff in the divisions impacted and there would be no additional costs involved in this effort.
2. The pilot project would be targeted at Private Duty Nursing and Personal Assistance agencies in the Senior and Long Term Care Division.
3. The direct care worker must work 20 hours a week or more to be eligible for the insurance packages outlined in this legislation.
4. Based upon a recent survey by DPHHS staff, there are approximately 2,417 employees providing personal assistance or private duty nursing based upon a 75% response rate to the survey. Projecting to

all employers, it is estimated that there are 3,431 healthcare workers that would be eligible for this pilot. Of these workers, 87% or 2,985 workers would take the insurance if it was offered at no cost.

5. Of the 2,985 employees, approximately 57% or 1,712 employees work more than 20 hours per week.
6. The average monthly premium would be approximately \$400 per month in FY 2008 and approximately \$450 in FY 2009.
7. Coverage would start on January 1, 2008 and end on January 1, 2009. Therefore, premium costs would be incurred for 6 months in FY 2008 and 6 months in FY 2009.

Cost calculation: FY 2008: \$400 x 6 months x 1712 employees = \$4,108,800
 FY 2009: \$450 x 6 months x 1712 employees = \$4,622,400

8. The general fund portion of Medicaid match is 0.3139 in FY 2008 and 0.3149 in FY 2009.

	<u>FY 2008 Difference</u>	<u>FY 2009 Difference</u>	<u>FY 2010 Difference</u>	<u>FY 2011 Difference</u>
<u>Fiscal Impact:</u>				
FTE	0.00	0.00	0.00	0.00
<u>Expenditures:</u>				
Benefits	\$4,108,800	\$4,622,400	\$0	\$0
<u>Funding of Expenditures:</u>				
General Fund (01)	\$1,289,752	\$1,455,594	\$0	\$0
Federal Special Revenue (03)	\$2,819,048	\$3,166,806	\$0	\$0
TOTAL Funding of Exp.	\$4,108,800	\$4,622,400	\$0	\$0
<u>Revenues:</u>				
General Fund (01)	\$0	\$0	\$0	\$0
Federal Special Revenue (03)	\$2,819,048	\$3,166,806	\$0	\$0
TOTAL Revenues	\$2,819,048	\$3,166,806	\$0	\$0
<u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u>				
General Fund (01)	(\$1,289,752)	(\$1,455,594)	\$0	\$0
Federal Special Revenue (03)	\$0	\$0	\$0	\$0

Technical Notes:

1. The bill includes a termination date of January 1, 2009. If this date is changed to June 30, 2009, there will be additional expenditures of \$4,622,400 in FY 2009 and would fully expend the appropriation in HB206.
2. HB820 has \$2,945,125 general funds and \$6,407,447 federal funds in DP 22902 in FY 2009 for this program.

Sponsor's Initials_____
Date_____
Budget Director's Initials_____
Date